United Nations ECE/EX/2015/L.3

Economic and Social Council

Distr.: General
6 February 2015

English only

Economic Commission for Europe

Executive Committee

Seventy-fifth meeting
Geneva, 10 February 2015
Item 4 (b) of the provisional agenda
Matters relating to the
Committee on Sustainable Energy

Decision approving the extension of the Work Plan of the Expert Group on Resource Classification

Background

1. The Executive Committee, at its sixty-fifth meeting on 4 December 2013, approved the Work Plan of the Expert Group on Resource Classification for 2013–2014.

2. At its twenty-third session (Geneva, 19-21 November 2014), the Committee on Sustainable Energy endorsed the extension of the 2013–2014 Work Plan of the Expert Group on Resource Classification until the end of 2015 and requested the Expert Group on Resource Classification to prepare a work plan for 2016–2017. The extension was granted for the following reasons: (i) the Work Plan remains valid for 2015; (ii) the Expert Group on Resource Classification is continuing to deliver according to the Work Plan 2013–2014; and (iii) the extension of the Work Plan will allow the Expert Group to align the timing of its Work Plan with those of the other subsidiary bodies of the Committee on Sustainable Energy.

Draft decision

3. The Executive Committee, at its seventy-fifth meeting on 10 February 2015, approves the extension of the 2013–2014 Work Plan of the Expert Group on Resource Classification, as contained in the annex, until the end of 2015.

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Annex

Work Plan of the Expert Group on Resource Classification for 2013–2014

Excerpt from ECE/ENERGY/GE.3/2013/2:

"89. After discussion and review of the programme of work for 2012–13 as recommended at the third session and included in the report of that meeting (ECE/ENERGY/GE.3/2012/2) and in the light of the Outcome of the Review of the 2005 ECE Reform, the Expert Group agreed on its programme of work for 2013–2014 as provided below and recommended that it be submitted to the Committee on Sustainable Energy and the ECE Executive Committee for endorsement.

A. Specifications for UNFC-2009

Description: Specifications (or basic rules of application) are needed for UNFC-2009 in order to ensure an appropriate level of consistency and coherence when it is applied. They provide additional instructions on how the definitions contained in UNFC-2009 must be applied in specific circumstances including, where appropriate, commodity-specific rules. At the first session of the Expert Group, the Specifications Task Force Phase Two (established by and reporting to the Bureau) was tasked to consider all issues raised by stakeholders that are not currently addressed fully in the CRIRSCO Template and/or PRMS and as contained in the final version of the report of the original Specifications Task Force (ECE/ENERGY/2010/8). Following agreement on the final text of the specifications at the fourth session, the Expert Group recommended them for endorsement by the Committee on Sustainable Energy and subsequently by the ECE Executive Committee. With the finalization of the specifications, UNFC-2009 is now ready for the first rounds of full scale application, in order to fulfill ECOSOC Decision 2004/233.

Work to be undertaken: The generic specifications and the commodity-specific specifications appropriate to solid minerals and petroleum (based on bridging documents to the CRIRSCO Template (for solid minerals) and PRMS (for petroleum)) as agreed at the fourth session are to be published together with UNFC-2009 in all official languages of the United Nations to facilitate further implementation of ECOSOC Decision 2004/233. Prior to the formation of the Technical Advisory Group, the Specifications Task Force is to provide technical advice to UNFC-2009 stakeholders regarding the application of UNFC-2009 and related matters according to its revised Terms of Reference (EGRC-4/2013/INF.4, dated 10 April 2013). The specifications as agreed at the fourth session will be submitted to the Committee on Sustainable Energy and the ECE Executive Committee for endorsement in the second quarter of 2013.

Deliverables:

(a) Publication of UNFC-2009 together with the specifications as a single publication in all United Nations languages;

(b) A summary report to be presented to the fifth session of the Expert Group of any advice provided by the Specifications Task Force under its revised Terms of Reference, containing among other things:

(i) recommendations for recognizing bridging documents to other classifications;
(ii) review options for broadening the application of UNFC-2009;
(iii) an account of other substantial achievements since the last report; and
(iv) electronic dissemination of the publication containing UNFC-2009 and the specifications where appropriate.

Timeline:

(a) Publication of UNFC-2009 with specifications as soon as practicable following approval to do so by the Committee on Sustainable Energy and the ECE Executive Committee and preferably by August 2013;

(b) 2013 to ongoing.

B. Technical Advisory Group

Description: At the first session of the Expert Group it was agreed that the Bureau should progress establishment of a Technical Advisory Group, including development of a mandate, methodology of operation and rules of procedure, list of deliverables, membership list and potential sources of extrabudgetary funding, for consideration at the second session of the Expert Group. A recommendation from the fourth session of the Expert Group, for submission to the Committee on Sustainable Energy for endorsement, is made to establish a Technical Advisory Group. This Group is needed to provide assistance and advice on how to interpret, apply and/or map to UNFC-2009 as and when requested, as well as to compile and analyze the results of such initiatives.

Work to be undertaken: Once consent is obtained from the Committee on Sustainable Energy for the Bureau to establish the Technical Advisory Group, it will perform in accordance with the terms of reference outlined in document ECE/ENERGY/GE.3/2013/5. The Bureau will review the terms of reference on an ongoing basis and should any modifications be proposed they would be submitted to the Expert Group for consideration.

Deliverables: Technical Advisory Group established by end-2013 and operational during 2013 or first-half of 2014.

Timeline: 2013 to ongoing.

C. Testing and review of UNFC-2009

Description: Widespread testing of UNFC-2009 is essential to ensure the classification meets the needs of its stakeholders and also to ensure it remains current. The Committee on Sustainable Energy has also directed the Expert Group to reinforce its efforts to encourage testing and application of UNFC-2009 as widely as possible and that feedback on this continue to be monitored and reviewed at least every two years.

Work to be undertaken: Encourage members of the Expert Group to test UNFC-2009 in their own work environments. Encourage stakeholders to carry out cross-mapping with other systems. Ideally, this would include government to government mapping, mapping to commercial systems, and testing of the bridging documents to the CRIRSCO Template and PRMS. Results should be compiled and analyzed by the Specifications Task Force (until the Technical Advisory Group is established) and reported to the Bureau and to the Expert Group.

Case studies shall be sought to demonstrate that UNFC-2009 meets the needs of the four principal applications for which it has been designed (international energy and mineral policy formulation; Government resource management; industry business process management: and financial analyses and capital allocation).

Results of testing and case studies on UNFC-2009 should be prepared for review by the Expert Group and then compiled in an electronic publication and posted to the ECE website.

The Bureau is to review UNFC-2009 to determine if any modifications or additions are required to meet the needs of end-users and to facilitate its broader application as envisaged in the Outcome of the Review of the ECE Reform of 2005.

As required under the programme and performance monitoring programme for the current biennium (2012–2013), a report on the Status of the Implementation of UNFC-2009 should be prepared for presentation to the Committee on Sustainable at its twenty-second session in November 2013.

Deliverables: Case studies demonstrating how a UNFC-2009 inventory is built, and how it may be used for: international energy and mineral policy formulation; Government resource management; industry business process management: and financial analyses and capital allocation.

A Status Report on the Implementation of UNFC-2009 for submission to the Committee on Sustainable Energy at its twenty-second session in November 2013. A draft of this will be circulated to the Expert Group prior to submission.

Proposals for modifications to UNFC-2009 to be presented to the fifth session of the Expert Group.

Timeline: 2013 to ongoing. The work will be undertaken when opportunities avail themselves respecting that there are currently no funds available to commission it. Results will be reported when available. A summary report of the activities will be made at each meeting of the Expert Group.

D. Education and Outreach

Description: The Expert Group established a Communications Sub-Committee at its first session, with a mandate to develop and implement a communications and education strategy to ensure that opportunities to promote UNFC-2009 globally and to deliver a consistent message are maximized, including through conferences, workshops, articles and technical papers. The Sub-Committee was also tasked to assist with identification of experts in countries and organizations not already represented in the Expert Group. Following finalization of the specifications for application of UNFC-2009, the Communications Sub-Committee will cooperate with the Technical Advisory Group in relation to the increased education and outreach that will be needed to facilitate the roll-out of UNFC-2009. The Communications Sub-Committee will propose a revised mandate to reflect (i) the range of UNFC end-users, including the renewable energy resources sector; (ii) the need to coordinate its work with the Technical Advisory Group once established; and (iii) the need to encompass academic institutions. In the interim the Communications Sub-Committee will coordinate its work with the Specifications Task Force as required.

Work to be undertaken: The Communications Sub-Committee is to continue its work to promote the Expert Group and UNFC-2009 as per its mandate, with a review of activities to be prepared for the fifth session of the Expert Group. Subject to resources (human and financial), attention is to be given to organizing national and regional workshops globally.

Deliverables: A report of the activities of the Communications Sub-Committee to be delivered to the fifth session of the Expert Group.

Timeline: 2013 to ongoing (to be reviewed annually).

E. Use of UNFC in classifying injection projects

Description: It was recommended at the first session of the Expert Group that a Task Force on UNFC and Recipient Reservoirs be established by and report to the Bureau to continue to research and develop views on this potential use of UNFC-2009 and identify additional key stakeholders who could provide critical analysis and feedback on the practicality of applying UNFC-2009 for these types of projects. The Task Force is carrying out research on the potential use of UNFC-2009 for classifying injection projects (e.g., storage of carbon dioxide, natural gas storage or other waste disposal projects).

Work to be undertaken: Continue work to investigate how, for example, oil and gas companies classify and evaluate the maturity of their gas injection projects today, and propose a draft bridging document. An update on any findings is to be provided to the fifth session of the Expert Group and relevant documentation prepared for that session.

Deliverables: An assessment of how stakeholders classify and evaluate the maturity of their gas injection projects today. A bridging document for application of UNFC-2009 to injection projects, in particular to the storage of carbon dioxide.

Timeline: 2013–2014 (subject to review at the fifth session of the Expert Group).

F. Application of UNFC-2009 to nuclear fuel resources

Description: Classification of nuclear fuel resources is currently undertaken according to the NEA/IAEA "Red Book" classification system. The NEA/IAEA "Red Book" will be aligned with UNFC-2009. This is the response to the extensive efforts of IAEA to build technical capacity on UNFC-2009 globally and the ensuing requests from a number of governments. Work on this proposed activity has been underway since 2010 and considerable achievements have been made.

Work to be undertaken: A Task Force, to be led by IAEA, will be established to undertake the necessary work for UNFC-2009 to be applied to nuclear fuel resources.

Deliverables: Establishment of a Task Force led by IAEA to facilitate application of UNFC-2009 to nuclear fuel resources. A bridging document relating to the NEA/IAEA "Red Book" classification of nuclear fuel resources to UNFC-2009 and vice versa will be presented to the Expert Group for consideration and recommendation at its fifth session. Appropriate guidelines will be incorporated to ensure consistent application of UNFC-2009 to nuclear fuels thereby allowing use of the higher granularity of UNFC-2009 and its harmonization advantages.

Timeline: 2013–2014 (subject to review at the fifth session of the Expert Group).

G. Application of UNFC-2009 to renewable energy projects

Description: Renewable energy resources increasingly provide sustainable and much needed fuel and power globally. As the renewable industry becomes a fully commercialized sector, it is important to quantify in a common and transparent way the amount of resources contributed both at a project level and to the regional and global energy systems. This must be undertaken in a way that allows a comparison with other energy resources using common frameworks. If UNFC-2009 could also be applied to renewable energy resources, this would for the first time allow development of a classification system for renewable and non-renewable projects and improve the view of energy sustainability. A general classification system for renewable energy does not currently exist worldwide.

Work to be undertaken: Produce a written assessment of how UNFC-2009 can be applied to renewable energy resources with an accompanying timeline for each of the deliverables. The Bureau will establish a Task Force on Renewable Resources with a number of renewable technology specific sub-task forces.

Deliverables: Establishment of a Task Force on Renewable Resources and sub-task forces as appropriate. A written outline of how the application of UNFC-2009 to renewable energy resources will be accomplished with a timeline for each deliverable will be circulated to the Expert Group and outputs made available on the ECE website prior to submission to the Committee on Sustainable Energy.

Timeline: By 1 November 2013 for submission to the twenty-second session of the Committee on Sustainable Energy.

H. Financial reporting

Description: UNFC has been designed to meet, to the extent possible, the needs of all applications pertaining to financial reporting standards, particularly those promulgated by the International Accounting Standards Board (IASB). The Expert Group cooperates closely with the IASB, which has undertaken an extractive activities research project to analyse the unique financial reporting issues applicable to extractive activities and to identify a basis on which a financial reporting model might be developed to address these issues. If the IASB decides in the future to add an International Financial Reporting Standard (IFRS) for extractive activities to its active agenda, the objective would be to develop an IFRS on accounting for extractive activities that would supersede IFRS 6: Exploration for and Evaluation of Mineral Resources.

Work to be undertaken: The Bureau of the Expert Group is to monitor relevant developments in financial reporting globally that might have an impact on reserves and resources and prepare any necessary documentation for the fifth session.

Deliverables: Status report on any changes or developments in the financial reporting sector globally with implications or potential implications for UNFC-2009.

Timeline: 2013 to ongoing (with annual review).

I. Collaboration and cooperation with other bodies

Description: UNFC-2009 has been designed to meet essential needs in international energy and minerals policy formulation, Government resources management, industry business processes management and capital allocation. This has required close collaboration and cooperation with stakeholders from these four areas of application.

Work to be undertaken: Continue to collaborate and cooperate with as wide a range of stakeholders as possible and identify new partners, particularly within non-UNECE member countries.

Deliverables: A list of stakeholders who either participate actively in meetings of the Expert Group or who have expressed an interest in doing so is to be prepared for the fifth session of the Expert Group.

Timeline: 2013 to ongoing.

J. Electronic communication

Description: The dissemination of Expert Group deliverables to relevant stakeholders and end users will continue to be made using electronic communication facilities whenever these are fit for purpose. The Expert Group will likewise use electronic communication internally in the Group and throughout its network. To this end, the network of experts will be maintained using a central inventory of contacts. These activities will reflect the position of ECE as the United Nations-wide centre of excellence on resource classification.

Work to be undertaken: Electronic dissemination of the deliverables of the Expert Group to the extent possible and practicable. Development of a centralized database of UNFC-2009 end-user contacts.

Deliverables: An enhanced and centralized database of UNFC-2009 end-user contacts. Electronic dissemination of the deliverables of the Expert Group.

Timeline: 2013 to ongoing."